

TRADE ACT PROGRAM BACKGROUND

The Trade Adjustment Assistance (Trade Act) program is a federally funded employment program, established in 1974 when Congress enacted the Trade Act legislation to reduce the negative impact of foreign imports on the nation's economy. The North American Free Trade Agreement (NAFTA) became law in 1993 and provides similar employment services as Trade Act. Trade Act addresses trade issues worldwide, whereas, NAFTA addressed trade issues specific to Canada and Mexico. Recent Legislation, Trade Reform Act of 2002 amended current Trade law and combined both Trade Act and NAFTA-Trade Act into one program. Petitions filed after November 4, 2002 will be affected by new Trade rules and regulations. All other active petitions are covered under old Trade rules. Both Trade Act and NAFTA-Trade Act programs are operated at the federal level by the U.S. Department of Labor. Each of the fifty states has designated an agency to administer the program and deliver services to eligible unemployed workers. In Washington State, the Employment Security Department is the agency designated to operate the Trade Act program.

PROGRAM GOAL

The purpose of the Trade Act program is to assist trade-affected workers to return to suitable employment as quickly as possible. The goal of the program is to minimize the negative financial and social effects of job loss by utilizing a variety of program services available to unemployed workers as they prepare to return to work.

NOTE: The information in this booklet is provided assuming you have already been determined eligible for Trade Adjustment Assistance and that you are enrolled in one of the programs.

PROGRAM OVERVIEW

Program services are available in two main categories:

**TRADE ADJUSTMENT
ASSISTANCE (TAA)
and
TRADE READJUSTMENT
ALLOWANCE (TRA)**

Trade Adjustment Assistance services include Job Search Allowances, Relocation Allowances and Retraining. These services are discussed in detail under their respective sections of this booklet.

TRA allowances are income benefits, equivalent to your weekly state Unemployment Insurance (UI) benefits. You may be eligible to receive TRA benefits if you are enrolled in training or are actively searching for work. TRA benefits are not paid until you have exhausted all of your Unemployment Insurance (UI) benefits. In certain circumstances, you may be eligible for Trade Act services, but not eligible for TRA benefits. TRA will be discussed in detail under the TRA section of this booklet.

JOB SEARCH ALLOWANCES

If no suitable employment is available to you locally a job search allowance may be

available to assist with the expense of seeking suitable employment outside of your local labor market. If you currently possess job skills that are in demand in your local area job search allowances cannot be approved. **Your Trade Act Service Provider will be able to provide you with additional information on your local labor market.** To be eligible for job search allowances, you must be traveling to confirmed job interviews outside of your local labor market with companies that have documented job openings that you have the skills to perform. You must contact your local Trade Act service provider and **request approval for your job search trip before you leave.** Trade Act cannot reimburse you for expenses after you return from a job search if you did not have prior approval. For an approved job search, you will be reimbursed at a set mileage rate if you use your own vehicle for travel or 90 percent of the cost of a round trip by the most economical public transportation, whichever is less. You are required to travel by the most direct route from your residence to the job search location. When an overnight stay is necessary, you will be reimbursed for lodging and meals at 90% of the actual cost or 45% of the Federal Per Diem rate (whichever is less) for the area you are traveling to.

Important: You must keep signed original receipts for gasoline, meals, lodging and any other allowable expenses in order to be reimbursed for your job search. Your expenses cannot be paid by Trade Act if you do not keep receipts.

You may be reimbursed up to a maximum

of \$1250.00 (\$800.00 if under petition filed before November 4, 2002) for job search allowances, which may include one or more out of area job search activities.

You may request an advance payment of estimated job search expenses if needed, however, you must request the advance at least two weeks before you leave in order to receive a check in time.

The job search benefits available to you must be requested within 365 days of your most recent layoff from your trade-affected employment or within 365 days of the date of the Trade Act certification of the trade-affected employer you worked for, whichever is later. If you are enrolled in a retraining program, the job search benefits must be requested within 182 days of your completion of training.

Depending on individual circumstances, there are many job search scenarios that could arise. Please check with your local Trade Act service provider if you have questions.

RELOCATION ALLOWANCES

If you obtain employment outside of your local commuting area and there is no suitable employment for you in your local labor market, Trade Act may be able to assist you with some of the costs associated with moving to the location of your new job. If you possess job skills that are in demand in your local labor market relocation allowances cannot be approved. You will need to provide your Trade Act service provider written verification of your new employment before the relocation allowance can be approved. Trade Act may be

able to pay 90% of the reasonable and necessary expenses of moving you, your family and your household goods (up to 18,000 pounds) to your new job location. You may also be paid for mileage at a set mileage rate for driving up to two personal vehicles to your new location. Lodging and meal expenses, if needed, may be reimbursed at 90% of the actual cost or 45% of the Federal Per Diem rate for the area you are relocating to, whichever is less.

You must keep signed original receipts for gasoline, lodging and meals. You may use a commercial mover for your relocation or you may use a rental truck and make the move yourself. You are required to get two bids for the cost of the move and Trade Act will pay 90% of the lowest reasonable bid. In addition to payment for your actual moving expenses, you will be paid a lump sum payment equal to three times your former average weekly wage, up to \$1250.00 (\$800.00 if under petition filed before November 4, 2002), to help you get settled at your new location.

Your request for relocation must be approved by your local Trade Act service provider in advance of your move. **If you move before you have your relocation request approved, the program will be unable to assist with the costs.**

There are time limits for using your relocation benefits. An application for relocation must be filed with your local Trade Act service provider (1) within 425 days of the date your former company was certified or (2) within 425 days of your last total separation from that employer, whichever is later, or (3) within 182 days after you complete approved training. You must begin your relocation within 182 days

after you apply for a relocation allowance or within 182 days after you complete approved training.

There are many different relocation scenarios that could arise depending upon individual circumstances. For instance, your move could be delayed pending the sale of your current home, or you may need to delay your move so your children could finish the current school year. In such situations, you could be granted more time to complete your relocation. However, your application for the relocation allowance must be made within the required timeframes. Your local Trade Act service provider will be able to provide you with more detailed information concerning relocation if you have questions.

Important: Your relocation allowance can only be used once under a certification to move you to a new job.

RETRAINING

The priority of the Trade Act program is to assist you in returning to suitable employment as quickly as possible. You must go through a thorough assessment of your skills, education and abilities. Once you have gone through the assessment process, if it is determined that there is no suitable work available for you in your local labor market then training may be an available option. You must submit an application for training to your Trade Act service provider and the following conditions must be met before training can be approved:

1. There are federal funds available to pay for training.
2. No suitable employment (work of a substantially equal or higher skill level at not less than 80 percent of the wages earned at your adversely affected employment) is available.
3. You would benefit from the training.
4. There is **reasonable** expectation you will be able to find training related employment following completion of the training.
5. Training is available (priority is given to public and vocational institutions).
6. You have the **financial resources and the physical and mental capabilities** to undertake and complete the training.
7. The training you request is suitable for you and is available at a reasonable cost.

There are two main categories of training available to you under Trade Act. They are Employer Based Training and Classroom Training.

Employer Based Training (Includes: On-the-Job Training and Customized Training)

On-The-Job Training

OJT is provided at the employer's work site. With this type of training, you are hired by an employer who trains you specifically for the type of work you will be performing. This training can include some classroom training, if needed, to help you acquire the skills you need to perform the job per your employer's

requirements. The purpose of OJT is to provide an incentive for employers to hire you, when they would not normally be able to do so because of training expense, by having Trade Act pay for part of the employer's cost of training you.

In order for you to qualify for OJT, a signed training agreement must be in place before you start work for the employer and the following conditions must be met:

1. The employer must be able to offer you a full-time, permanent job based on the economic conditions existing at the time of the job offer to you.
2. The employer requires applicants to have certain job skills at the time of hire and does not normally hire and train new employees performing the same type of work at the employer's expense.
3. The employer has a legitimate, documented need to train you and you do not already possess the skills needed to perform the job.
4. The employer has not laid off any employees performing similar job functions in order to take advantage of the OJT.
5. The length of OJT training contracts will be less than 6 months.

Your local Trade Act service provider can provide you with further details concerning On-The-Job Training.

Customized Training

- Customized training is designed to meet the special requirements of an employer or group of employers and is conducted by an outside training vendor.

- You would not be employed by the employer for which the training is designed; however, the training is conducted with a commitment by the employer to hire you upon successful completion of the training.
- The employer pays a significant portion of the cost of the training (not less than 50 percent).

Your local Trade Act service provider can provide you with more information concerning this type of training.

Classroom Training

Under Trade Act, if you meet the conditions for approval of training, you may receive up to 104 weeks of classroom training. Weeks of training are defined as any week where you spend any part of one or more days in training at a Trade Act approved training institution. The 104 weeks does not include weeks the training institution is on vacation or breaks between school terms, only weeks you actually attend training.

Under Trade Act, you are not required to pay for any part of your training. This means Trade Act will pay the entire cost of tuition, required books, and required tools or equipment for your training program. However, in order for Trade Act to pay these costs, you must submit a training request along with a Training Research Proposal Packet and other required items to your Trade Act service provider and be approved before your training begins.



Training is not limited to certain types of occupations; however, there must be documentation available showing there is demand for that type of work. If a reasonable demand cannot be documented, the training cannot be approved.

You must be able to start and finish the training you request within 104 training weeks, as defined above, and you must be job ready for the occupation you trained for at the completion of the training. If your training requires remedial education, it must be identified and documented through a thorough assessment before your training begins and depending on the need you may be allowed to attend training for more than **104 weeks** (up to a maximum of 130 weeks).

Even though you are entitled to 104 weeks of training, you can only be approved for the number of weeks the training institution requires for completion of the training. For example, if you requested truck driving training and the training is an eight week program, you will only be approved to receive eight weeks of training. If you requested a type of training that requires an Associate Degree, you will be approved for the standard number of weeks required to attain the degree.

You may be approved for only one training program under a single Trade Act certification. This means you cannot complete one training program and then start another program

even though you have not used up all of the 104 possible training weeks. Also, you will not be allowed to switch training programs once you start or train in two occupations simultaneously, and because of this you should thoroughly research all aspects of the training you are considering.

Once you have been approved to start a classroom training program, there are certain benefits available to you to help cover other expenses you may incur while attending the training.

Transportation

You are expected to attend training in your local commute area if the training you requested is available. If the training is only available outside of your local commute area, you are entitled to receive an allowance for round-trip travel to the training institution at a set mileage rate. This allowance cannot exceed 50% of the Federal Per Diem rate for the area in which the training institution is located.

Your local Trade Act service provider will inform you of what your travel allowance will be. If you are receiving travel allowances, you will most likely receive more than it will cost you for gasoline for your vehicle. You should save the excess funds you receive for vehicle maintenance, such as tires and unexpected repairs, because Trade Act has no means of paying for automobile repairs.

Subsistence

You may be approved for a subsistence allowance if it is not feasible for you to commute

to training due to the distance of the training institution from your residence. Subsistence assists with the cost of maintaining a separate residence near the training institution. You will be paid at 50% of the Federal Per Diem rate for the area where your training institution is located. The subsistence allowance is paid for each day of the week you attend training. The subsistence allowance is intended to help cover the expenses of maintaining an additional residence near your training facility and is not meant to subsidize your primary residence. This means you must also be maintaining your primary residence while receiving the subsistence allowance. If you decide to move to the area where your training institution is located and you are no longer maintaining two residences, you will not be eligible for the subsistence allowance. If you are receiving the subsistence allowance, you should keep records to show that you are maintaining both residences while attending training.

Responsibilities During Classroom Training:

There are certain responsibilities you must adhere to while attending Trade Act approved training. They are as follows:

1. Federal regulations mandate that an accurate record of your attendance in training be maintained at both the state and local level. Therefore, you are required to submit an attendance form each week you attend training to the TRA Payment Unit in Olympia and also to your local Trade



Act service provider. Your local Trade Act service provider will instruct you on how to fill out this form. The form must be signed by you AND a representative of your training institution no earlier than the last day of the week you attend training. Mail the form to the TRA Unit at the address listed on the back of the form on the last day you attend training each week. Also, mail or drop off a copy of the completed form to your local Trade Act service provider. Your local Trade Act service provider is required to keep a record of the hours you attend training in your local file. The TRA Payment Unit uses the form to pay your travel or subsistence allowance for the week. Your allowance payment will be mailed directly to you at the address you request.

2. You are required to provide your local Trade Act service provider with a copy of your class schedule at the start of each term of training. You should only register for the classes required for your training. Trade Act cannot pay for non-required classes.
3. You are required to provide a copy of your grades for each term of training to your local Trade Act service provider.
4. The Trade Act program can only pay for training items required by your training institution. The items must be required

of ALL students taking the class. If the items are only recommended, Trade Act cannot pay for them. You are expected to stay within the guidelines and if you have any doubt about an item, you must clear it with your local Trade Act service provider in advance. Any unauthorized purchases will be the responsibility of the student.

5. If tools are required for your training, your local Trade Act service provider will make arrangements to purchase the tools and issue them to you. The Trade Act policy is to purchase good quality tools that will adequately and safely get you through your training. While in training, the tools issued to you are your responsibility to safeguard. If the tools are lost or stolen, the Trade Act program cannot purchase replacement tools.

Important: The tools purchased for your training remain the property of the Trade Act program while you are in training. They do not belong to you. They will be released to your ownership upon your successful completion of your training or if you terminate training early, to immediately enter into a training-related job. If you do not complete training and do not enter into a training-related job, you must immediately return all of the tools to your local Trade Act service provider. Failure to return the tools will result in an overpayment for the full value of the tools to be charged against your current or future Washington State Unemployment Insurance claim.

6. It is your responsibility to let your local Trade Act service provider know of any difficulties you may experience with your training program. Your Trade Act service provider will work with you to resolve the difficulties.

It is a major commitment for you to enter into long term training. It is expected that you will make your training a priority and do your best to successfully complete the training so you will be ready to reenter suitable employment. Trade Act staff at both the local and state levels will make your commitment to training a priority and will work with you as much as possible to ensure your training is a successful and rewarding experience.

TRADE READJUSTMENT ALLOWANCES (TRA)

TRA allowances are benefits equal to the same amount as your weekly Unemployment Insurance (UI) claim which you were receiving as a result of your job loss with your Trade Act certified employer. If you were determined eligible for TRA allowances you may be paid a weekly benefit while you are attending training if the following conditions are met:

1. You have been entitled to and have exhausted all rights to UI benefits;
2. The time frame for eligibility to receive TRA benefits has not expired.
3. You are enrolled in training within 16 weeks of your layoff or 8 weeks after your company is certified. (This condition does not apply to petitions filed prior to November 4, 2002)

When you have been approved to attend training, you will be allowed to continue to claim the remaining weekly benefits in your UI claim (if you have a valid UI claim).



You must request approval to claim your UI benefits before the start of your training. (The Commissioner Approved Training (CAT) code will be attached to your UI claim and you will be able to attend school and will no longer need to look for work). Failure to get approval in advance could result in your unemployment benefits being denied. Once approved, you will only be able to draw the remaining balance of your UI claim. Being enrolled in training **does not** automatically entitle you to extended unemployment benefits. Your local Trade Act service provider, Telecenter staff, or the TRA Unit will inform you if you are eligible for any unemployment benefit extensions. You must exhaust all of your unemployment benefits before you will be able to receive any TRA benefits.

There are two categories of TRA benefits available under the Trade Act program, generally twenty-two weeks of **Basic TRA** and fifty two weeks of **Additional TRA**. (Workers covered under petitions filed before November 4, 2002 receive 26 weeks of additional TRA). There are specific time-frames within which the benefits must be used. The Basic TRA time period begins with the date of your most recent separation from your Trade Act certified employer and extends two years forward from that date. The time period for Additional TRA begins immediately after the last week of Basic TRA benefits have been paid to you, or after the expiration date of the Basic TRA time period, regardless of whether all of your Basic TRA benefits have been paid to you.

The Trade Act of 2002 established strict deadlines for TRA eligibility. To qualify for TRA payments you must be enrolled in a training program approved by the later of the last day of the 16th week after your most recent qualifying separation or the last day of the 8th

week after the company is certified. Another 45 days may be added to the enrollment deadline for extenuating circumstances.

Important: The two year Basic TRA eligibility time period does not mean that you will be eligible to be paid for 104 weeks of TRA benefits. It means that you have a two year time period from your most recent separation from employment with your Trade Act certified employer to use the twenty-two weeks of Basic TRA benefits that are available to you. The Basic TRA benefits are not available to you after the end of the two year period, even if you did not use any or all of the weeks.

To be eligible for the fifty two weeks of Additional TRA benefits, you must have made a bona fide request for training with your local Trade Act service provider within 210 days of your most recent separation from your Trade Act certified employer or within 210 days from the Trade Act certification date, whichever is later. The 210-day provision now refers only to Additional TRA paid following a waiver, or, if having requested training timely, you returned to work and were able to preserve your rights to Additional TRA while possibly training in the future. Also, you must be attending training in order to receive Additional TRA benefits. Unlike the twenty-two weeks of Basic TRA benefits, which can be claimed and paid over a two year period, the Additional TRA benefit time period runs like a clock once it starts. This means that when the last week of Basic TRA benefits have been paid to you or the end date of the Basic TRA time period occurs, the Additional TRA benefit time period starts and will end fifty two weeks later, regardless of whether the benefits are paid to you or not.

A significant provision of the new Trade Act rules provides up to 26 additional weeks of allowances for you when training includes a program of remedial education. These remedial weeks, while conducted prior to, or during, the early parts of occupational training, will actually be paid following the last week of the 52-week Additional period.

WAIVER OF TRAINING

You may also be able to receive Basic TRA benefits while you are looking for work if you have exhausted all rights to unemployment benefits and your local Trade Act service provider has determined it is not feasible for you to attend training. Under six specific waiver criteria your local Trade Act service provider can grant you a waiver of the training requirement in order to receive TRA benefits. If you are receiving TRA benefits while looking for work, you must make the same number and type of work searches as you were required to do when you were claiming unemployment.

Six Training Waiver Criteria:

1. **Recall**-the worker has been notified that the firm from which the layoff occurred will recall him/her.
2. **Marketable job skills**-the worker possesses marketable job skills for suitable employment based on assessment and there is reasonable expectation of employment at equivalent wages in the foreseeable future.
3. **Retirement**-the worker is within 2 years of meeting all requirements for entitlement to either; old age benefits under title II of the Social Security Act or a private pension sponsored by an employer or labor organization.

4. **Health**-unable to participate in training due to health issues. The worker must still be available for work, actively seeking work, and not refuse to accept work under federal or state UI law.
5. **Enrollment unavailable**-the first available enrollment date for training is within 60 days of the date a waiver is issued, or, if later, there are extenuating circumstances causing the delay in enrollment.
6. **Training not available**-training is not reasonably available to the worker, or training is not available at a reasonable cost, or no training funds are available.

Note: If you have been certified under NAFTA only, you cannot receive TRA benefits to look for work. You must be attending training to receive TRA under NAFTA.

Important: While TRA benefits are intended to provide you with a source of income during your training period, there is no guarantee that the TRA benefits will last as long as your training program. In Washington State, if there are no unemployment extensions in effect, you can receive a combination of unemployment and TRA benefits for up to 104 weeks. If you used up some of your unemployment benefits before you started training, you may run out of TRA benefits before you complete training.

Please ask your counselor to thoroughly explain the TRA program if you have concerns about any aspect of the benefits.

Important TRA Reminders

- TRA benefits cannot be paid for breaks in training that exceed 30 days (excluding weekends and holidays). If under a petition filed before November 4, 2002, the break is 14 days.
- TRA benefits will be reduced by any earnings or deductible income received. State or federal UI extensions received will take the place of TRA benefits.
- If an individual is eligible to file a new UI claim, TRA payments must be suspended and the new claim filed. Once that claim has been exhausted, then TRA benefits are restarted. Any work and earnings after the first UI claim can potentially make an individual eligible for a new claim.
- The TRA weekly benefit amount and maximum benefits payable are not affected by a subsequent UI claim. The initial Trade Qualifying claim determines and locks in TRA amounts.
- TRA weekly benefits are taxable as income. Training costs are not.
- To receive weekly TRA benefits, you must submit an attendance report (if in training) OR weekly work search (under waiver) to the TRA Unit in Olympia-PO Box 9046, Olympia, WA 98507-9046 or fax (360) 902-9790. You can start and stop TRA Basic within the two-year Basic period, but weeks unclaimed during TRA Additional cannot be added on to the end of the 52 week timeframe (26 week timeframe under the old Trade rules).
- Under new Trade legislation, you must be enrolled in training within strict time limits (16

weeks after layoff or 8 weeks after company is certified) to receive TRA benefits. You could still be approved for training even if you miss the weekly benefit deadlines. **If you are close to the 16/8 week deadline you should complete a waiver to preserve your entitlement to TRA benefits.**

- Trade Act now allows workers whose training includes remedial education an additional 26 weeks of TRA, payable at the end of the 52-week Additional period.
- Under new Trade rules, Washington State Training Benefits (TB) are the last option in the priority of payments. For clients under petitions 50,000+, TRA is paid before TB.
- Also under the new Trade law, six specific criteria for training waivers were established.

HEALTH COVERAGE TAX CREDIT (HCTC)

The Trade Reform Act of 2002 authorized a federal income tax credit for health insurance premiums paid by eligible TAA recipients. If you qualify, you can claim a credit equal to 65% of the premiums you pay.

To be eligible for the federal income tax credit you must be either:

- receiving a Trade Readjustment Allowance (TRA) under the Trade Act or NAFTA-TAA programs, or be eligible for TRA except that regular or extended UI benefits have not yet been exhausted; or
- an individual who is receiving “wage-replacement” benefits under a demonstration program of Alternative Trade Adjustment Assistance (ATAA) for older workers (this

program is scheduled to begin August 2003);
or

- an eligible Pension Benefit Guaranty Corporation (PBGC) pension recipient.

Coverage may also be provided for the spouse and dependents of an eligible individual if such persons are not otherwise covered by health insurance.

In order to qualify for the credit, you must be covered by qualified health insurance on the first day of the month for which the credit is claimed, and you must have paid the premium for that month.

In January of each year, the Internal Revenue Service will send information along with Form 8885 which eligible individuals will use to claim the Health Coverage Tax Credit. By mid-February, participants should receive Form 8887 to submit with each tax return.

Advance Payment Option

Beginning in August 2003, you will have the option of payments equaling 65% of your premiums being paid directly to your health insurance company on a monthly basis.

If you have questions about these benefits please call the HCTC Customer Contact Center at 1-866-628-HCTC (toll free) or refer to the Website at <http://www.irs.gov> (IRS Keyword: HCTC)

ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE (ATAA)

ATAA is a "wage subsidy" demonstration project for workers 50 years of age or older that is scheduled to be enacted in August 2003.

Some workers in firms with a significant

number of workers over age 50, without easily transferable skills, who find reemployment may choose (in lieu of other TAA benefits) to receive 50% of the difference between their new salary and old salary for two years, up to a maximum of \$10,000.

Petitioners would have the opportunity to request certification under the ATAA program based on three criteria:

1. A significant number of workers in the affected workforce are 50 years of age or older; and
2. The workers possess skills that are not easily transferable; and
3. The competitive conditions within the workers' industry.

Individual workers must also satisfy the following:

- Be covered under a TAA certification
- Have obtained reemployment within 26 weeks after trade affected layoff
- Be at least 50 years of age
- Earn less than \$50,000 per year in full time wages from reemployment
- Will not return to same job duties with trade affected employer.

Eligible workers who choose ATAA may not receive training, TRA and job search allowances.

If you select ATAA as your Trade Act option you must contact your Trade Act Service Provider for details on the application process.



RETURNING TO WORK

The purpose of the Trade Act program is to assist you in returning to suitable employment. The United States Congress funds the Trade Act program based on whether the program effectively assists unemployed workers to return to suitable jobs. Therefore, it is **required** that you inform your local Trade Act service provider when you return to work. Regardless of the program service you utilized while enrolled in Trade Act, you **must** report promptly when you return to work.

Reminder: The approval and continued support of all benefits are based upon the availability of Federal Funds.

Washington State Employment Security Department and WorkSource partners are equal opportunity employers and providers of employment and training services. Auxiliary aids and services are available upon request to persons with disabilities at WorkSource offices located throughout the state.